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DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

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Magnuson-Stevens Act Provisions; Fisheries Off West Coast States; Pacific Coast

Groundfish Fishery; Trawl Rationalization Program; 2015 Cost Recovery

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice; 2015 cost recovery fee percentages and mothership (MS) pricing.

SUMMARY: This action provides participants in the Pacific coast groundfish trawl rationalization program with the 2015 fee percentages and MS pricing needed to calculate the required payments for cost recovery fees due in 2015.

For calendar year 2015, NMFS announces the following fee percentages by sector: 3.0 percent for the Shorebased Individual Fishing Quota (IFQ) Program, 1.2 percent for the MS Coop Program, 0.0 percent for the Catcher Processor (C/P) Coop Program.

For 2015, the MS pricing to be used as a proxy by the C/P Coop Program is:

\$0.13/lb for Pacific whiting.

DATES: Effective January 1, 2015.

FOR FURTHER INFORMATION CONTACT: Christopher Biegel, Cost Recovery Program Coordinator, (503) 231-6291, fax (503) 872-2737, email Christopher.Biegel@NOAA.gov.

SUPPLEMENTARY INFORMATION: The Magnuson-Stevens Fishery Conservation and Management Act (MSA) requires NMFS to collect fees to recover the costs directly related to the management, data collection, and enforcement of a limited access privilege

program (LAPP) (16 U.S.C. 1854(d)(2)), also called “cost recovery.” The Pacific coast groundfish trawl rationalization program is a LAPP, implemented in 2011, and consists of three sectors: the Shorebased IFQ Program, the MS Coop Program, and the C/P Coop Program. In accordance with the MSA, and based on a recommended structure and methodology developed in coordination with the Pacific Fishery Management Council, NMFS collects mandatory fees of up to three percent of the ex-vessel value of groundfish by sector (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program). NMFS collects the fees to recover the incremental costs of management, data collection, and enforcement of the trawl rationalization program. Beginning in January 2014, NMFS implemented cost recovery for the trawl rationalization program. Additional background can be found in the cost recovery proposed and final rules, 78 FR 7371 (February 1, 2013) and 78 FR 75268 (December 11, 2013), respectively. The details of cost recovery for the groundfish trawl rationalization program are in regulation at 50 CFR 660.115 (trawl fishery cost recovery program), § 660.140 (Shorebased IFQ Program), § 660.150 (MS Coop Program), and § 660.160 (C/P Coop Program).

The cost recovery program regulations require NMFS to announce, in a Federal Register document, the next year’s applicable fee percentages and the applicable MS pricing for the C/P Coop Program. NMFS calculates and announces the fee percentage after each fiscal year ends, and before the fee would go into effect on January 1 of the following year. NMFS calculated the fee percentages by sector using the best available information. For 2015, the fee percentages by sector, which must not exceed three percent of the ex-vessel value of fish harvested, are:

- 3.0 percent for the Shorebased IFQ Program,

- 1.2 percent for the MS Coop Program,
- 0.0 percent for the C/P Coop Program.

To calculate the fee percentages, NMFS used the formula specified in regulation at § 660.115(b)(1), where the fee percentage by sector equals the lower of three percent or direct program costs (DPC) for that sector divided by total ex-vessel value (V) for that sector multiplied by 100.

“DPC”, as defined in the regulations at § 660.115(b)(1)(i), are the actual incremental costs for the previous fiscal year directly related to the management, data collection, and enforcement of each sector (Shorebased IFQ Program, MS Coop Program, and C/P Coop Program). Actual incremental costs means those net costs that would not have been incurred but for the implementation of the trawl rationalization program, including both increased costs for new requirements of the program and reduced costs resulting from any program efficiencies. Similar to 2014, NMFS only included the cost of employees’ time (salary and benefits) spent working on the program in calculating DPC rather than all incremental costs of management, data collection, and enforcement.

“V”, as specified at § 660.115(b)(1)(ii), is the total ex-vessel value for each sector from the previous calendar year. The ex-vessel value for each sector is further described in the definition section at § 660.111, and includes the total ex-vessel value for all groundfish species. For 2015, NMFS used the ex-vessel value for 2013 as reported in Pacific Fisheries Information Network (PacFIN) from electronic fish tickets to determine V. The electronic fish ticket data in PacFIN is for the Shorebased IFQ Program. Therefore, the ex-vessel value for both the MS Coop Program and the C/P Coop Program

is a proxy based on the Shorebased IFQ Program ex-vessel price and on the retained catch estimates (weight) from the observer data for the MS and C/P Coop Programs.

Due to fluctuations in actual ex-vessel values and amounts landed, the amount NMFS collects each year in cost recovery fees can be over or under NMFS' costs from the previous fiscal year. Accordingly, the cost recovery regulations at § 660.115(b)(1)(i) state that if the amount of fees collected by NMFS is greater or less than the actual net incremental costs incurred, the DPC will be adjusted accordingly for the calculation of the fee percentage in the following year. For the IFQ and MS sectors, NMFS estimates the total fees that will be collected based on the collections up to the date of determination, as landings data have not been finalized when an adjustment is determined. However, NMFS has final data on the pounds of Pacific whiting harvested by the C/P Coop Program for 2014 and the price per pound that the C/P Coop Program participants used to calculate their 2014 fee (i.e., \$ 0.14 per pound as the "MS pricing" for 2014 reported in 78 FR 75268, 12/11/2013). With these data, NMFS can determine the fees that should be collected from C/P Coop Program participants. An adjustment ensures that the aggregate fees being collected are appropriate. In 2014 it is estimated that both the MS Coop and C/P Coop fisheries will have remitted fee amounts greater than the FY 2013 DPC used to calculate the 2014 fee percentages. As such the 2015 DPC will be adjusted as follows:

	FY 2013 DPC used for 2014 calculation	2014 Fees collected	Adjustment for 2015
Shorebased IFQ Program	\$1,877,752.00	\$1,356,285.28	N/A
MS Coop Program	\$274,936.05	\$331,004.07	(\$56,068.02)
C/P Coop Program	\$176,460.05	\$350,387.25	(\$173,927.20)

The DPC used to calculate the 2015 fee percentage for the Shorebased IFQ Program was already above the 3 percent cap before the adjustment and therefore the adjustment for 2015 would have no effect on the 2015 fee percentage and is not included. The adjustments for the MS Coop Program and C/P Coop program are included, and reduce the DPC values shown below in the fee percentage calculations for those two sectors.

The adjustment in the C/P Coop program costs shows that NMFS anticipates collecting \$15,295.71 more than the adjusted costs in 2014 resulting in a fee percentage of -0.1. Because a fee percentage cannot be negative, NMFS is setting the 2015 C/P Coop program cost recovery fee at 0.0 percent and will deduct \$15,295.71 from the 2015 DPC to adjust the 2016 fee percentage. The calculations, using the adjusted DPCs as described above, are as follows:

Shorebased IFQ Program-3.0% = the lower of 3% or $(\$2,028,859.04 / \$51,557,998) \times 100$

MS Coop Program- 1.2% = the lower of 3% or $(\$233,300.78 / \$14,759,147) \times 100$

C/P Coop Program- -0.1% = the lower of 3% or $(\$-15,295.71 / \$22,233,966) \times 100$.

MS pricing is the MS Coop Program's average price per pound from the previous complete calendar year. The MS pricing will be used by the C/ P Coop Program to determine their fee amount due (MS pricing multiplied by the value of the aggregate

pounds of all groundfish species harvested by the vessel registered to a C/P-endorsed limited entry trawl permit, multiplied by the C/P fee percentage, equals the fee amount due). Similar to 2014, MS pricing for cost recovery is based on the average price per pound of Pacific whiting as reported in PacFIN from the Shorebased IFQ Program. For 2015 MS pricing, NMFS used data from calendar year 2013. In other words, data from the IFQ fishery is used as a proxy for the MS average price per pound to determine the “MS pricing” used in the calculation for the C/P sector’s fee amount due. In future years, NMFS may use values derived from those reported on the MS Coop Program cost recovery form from the previous calendar year, depending on what NMFS determines is the best information available. NMFS has calculated the 2015 MS pricing to be used as a proxy by the C/P Coop Program as: \$0.13/lb for Pacific whiting.

Cost recovery fees are submitted to NMFS by Fish buyers via Pay.gov (<https://www.pay.gov/paygov/>). Fish buyers registered with Pay.gov can login in the upper left-hand corner of the screen. Fish buyers not registered with Pay.gov can go to the cost recovery forms directly from the website below. Click on the link to Pacific Coast Groundfish Cost Recovery for your sector (IFQ, MS, or C/P):

<https://pay.gov/public/search/global?searchString=+groundfish+cost+recovery&formToken=6c80d7e6-a44c-4e9f-a4cc-eb7aa5000820>

As stated in the preamble to the cost recovery proposed and final rules, in the spring of each year, NMFS will release an annual report documenting the details and data used for the above calculations. The report will include information such as the fee percentage calculation, program costs, and ex-vessel value by sector. The annual report for fishing year 2013 and calculation for 2014 is available at:

http://www.westcoast.fisheries.noaa.gov/publications/fishery_management/trawl_program/analytical%20docs/cost_recovery_annual_report_01.pdf

The annual report for fishing year 2014 and calculation for 2015 will be made available to the public electronically via the NMFS West Coast Region Groundfish Web site:

http://www.westcoast.fisheries.noaa.gov/fisheries/groundfish_catch_shares/index.html

Authority: 16 U.S.C. 1801 et seq.

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Alan D. Risenhoover,
Director, Office of Sustainable Fisheries,
National Marine Fisheries Service.

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